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## WHAT IS CLAIMED IS:

 A method for providing private shipping of items to users purchasing goods on a computer-based communications network comprising the steps of:

providing a proxy identity to a user;

receiving a shipping address for the user;

partially encrypting the user's shipping address;

transmitting the proxy identity and encrypted shipping address to a merchant; and

providing decryption information to a shipper whereby upon receipt of the encrypted shipping address from the merchant, the shipper can use the decryption information to decrypt the address and generate a package label bearing the true shipping address of the user so that the merchant is prevented from electronically capturing the true identity of the user.

- The method of claim 1, wherein the proxy identity comprises a proxy name and a proxy credit card account number.
- The method of claim 2, wherein the step of issuing a proxy identity includes issuing a physical integrated circuit card to the user.
  - $\label{eq:4.4} 4. \qquad \text{The method of claim 3, further comprising the step of authenticating the user's proxy identity.}$
- 25 5. The method of claim 4, wherein the step of authenticating the proxy identity includes reading the integrated circuit card via a card reader.
  - 6. The method of claim 2 wherein a new proxy name is generated for each transaction by the user.
  - 7. The method of claim 1 wherein the communications network is the Internet.
- The method of claim 1 wherein the user's proxy identity is stored in a
   digital wallet.

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- The method of claim 1, wherein the encrypted shipping address contains sufficient information to allow the merchant to calculate an appropriate transaction tax.
- 5 10. The method of claim 1, further comprising:
  maintaining a secure database of user transaction information; and
  providing access to the database to a shipper to resolve a shipping problem.
- The method of claim 10, wherein the transaction information
   includes instructions for returning undeliverable items.
  - 12. The method of claim 1, wherein the user's encrypted shipping address contains an identifier that may be used as an electronic mail address to contact the user.
  - The method of claim 1, further comprising generating a unique shopping session identification number.
- The method of claim 13, wherein the encrypted shipping address is a
   function of the shopping session identification number.
  - 15. The method of claim 1, wherein the encrypted shipping address is a function of time.
- 25 16. The method of claim 1, wherein the encrypted shipping address includes an index number for cross-reference to a database of real shipping addresses.
  - 17. The method of claim 1, further comprising randomly inserting at least one atypical textual character into the true shipping address before encrypting the shipping address.

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18. The method of claim 1, further comprising: receiving a privacy level selection from the user for a shipment; and selecting an encryption algorithm for the user's shipping address based upon the selected privacy level.

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 A method for providing private shipping of items to users purchasing goods on a computer-based communications network comprising the steps of:

providing a proxy identity to a user;

receiving a shipping address for the user;

partially encrypting the user's shipping address;

appending a post office box number to the user's encrypted shipping address; transmitting the proxy identity and encrypted shipping address to a merchant; whereby upon receipt of the encrypted shipping address from the merchant, the shipper can generate a package label bearing the partially encrypted mailing address of the user with the post office box number so that the merchant is prevented from electronically capturing the true identity of the user.

20. A system for providing private shipping of items to users purchasing goods on a computer-based communications network comprising:

a secure server computer including

a processor configured to generate a proxy identity for a user, receive a shipping address for the user, and partially encrypt the user's shipping address;

a database configured to store user identity information and transaction data; and

a communications link for transmitting the proxy identity and partially encrypted shipping address to a merchant; so that the merchant is prevented from electronically capturing the true identity of the user.

- 25 21. The system of claim 20, wherein the processor is further configured to generate a unique shopping session identification number.
  - 22. The system of claim 21, wherein the user's encrypted shipping address is a function of the shopping session identification number.
  - 23. The system of claim 20, wherein the user's encrypted shipping address is a function of time.
  - 24. The system of claim 20, wherein the encrypted shipping address includes an index number for cross-reference to a database of real shipping addresses.

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25. A method for providing private shipping of items to users purchasing goods on a computer-based communications network comprising the steps of:

providing a proxy identity to a user;

receiving a shipping address for the user;

5 partially encrypting the shipping address so that the numerical information required for authorization under the Address Verification System is preserved;

transmitting the proxy identity and encrypted shipping address to a merchant; and

10 providing decryption information to a shipper

whereby upon receipt of the user's proxy identity and Address Verification String from the merchant, a credit card issuer can authorize the purchase, and upon receipt of the encrypted shipping address from the merchant, the shipper can use the decryption information to decrypt the address and generate a package label bearing the true shipping address of the user so that the merchant is prevented from electronically capturing the true identity of the user.

- 26. The method of claim 25, wherein the proxy identity comprises a proxy name and a proxy credit card account number.
- $\label{eq:27.27} \mbox{\footnote{1.5ex} The method of claim 25, wherein the communications network is the Internet.}$